

# MBA's 97th ANNUAL CONVENTION & EXPO OCTOBER 24-27 ATLANTA

## The Future Government Role In the Secondary Mortgage Market

MBA's Recommendations

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### • **What Investors Need**

- Clearly defined federal credit support
- Liquidity
- Simplicity and/or information
- Quality regulation of guarantors and system

### • **What Borrowers and Originators Need**

- Certainty of execution
- Consistent offering of core products
- Competitive pricing
- Efficient means of hedging risks and interest rate locks

# Mortgage Credit-Guarantor Entity

- Privately owned
- Government-chartered
- Not too big to fail
- Limited core product
- De minimis portfolio
- Well-regulated

# Government Credit Guarantee

- Explicit guarantee of MBS
- Risk-based fee paid by MCGE
- Fees capitalize an insurance fund

## Other features of MBA framework:

- No taxpayer risk
- No conflict between mission vs. profits
- Compliments existing government funding channels
- Transition

# Questions?